

15 DEC 1982

MEMORANDUM FOR THE RECORD

SUBJECT: Discussion with Burroughs Corp. Representatives,  
9 December 1982

1. On Thursday, 9 December, I was visited by Mr. Stuart Johnson, Vice President, Standard Products Division, Federal and Special Systems Group, Burroughs Corp., and Mr. Philip A. Schlimgen, local sales representative for Burroughs, who wanted to discuss the efforts being made to place the Burroughs equipment made surplus by the redirection of the SAFE project. Mr. Johnson indicated that it was his desire to effect complete settlement of the outstanding claims against TRW by the end of the year. He has a particular incentive to accomplish this before 1 January because on that date he takes up new responsibilities as President of Burroughs Standard Products Group in the System Development Corp. If the settlement with TRW carries over into the new year, it will affect the financial record of his new organization in the new fiscal (calendar) year.

2. He said that, in order to convince Burroughs management that they should settle with TRW, he needs to provide concrete evidence that the SAFE computers have been or will be placed, and he needs to get something into the public record which will counteract the negative publicity which accompanied the decision to drop Burroughs. (In this regard he noted that the article in Electronic News did not help his business in August and September.) To accomplish these two purposes he suggested that we provide a memorandum in which we would guarantee that the machines would be placed in specific, named locations and promise to issue a public statement to that effect.

3. I told him I could understand his desire for more conclusive evidence of the disposition of the machines, but I said we are dealing with a situation in which no one person controls all the decisions. I pointed out that I could offer, persuade, cajole, but I could not direct or dictate the placement of computers in other agencies. This is a highly decentralized activity in Government and the final decisions to accept or reject equipment have been made and would continue to be made by persons over whom we in CIA have no control. The IC Staff can inform, recommend or coordinate, but also cannot direct actions by member agencies of the Community. I noted that several promising leads had turned cold not because of a lack of interest in the Burroughs equipment but because of a lack of resources to house and operate it. I reminded him that we have imposed few

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constraints on the acceptance of the machines, offering them at little or no cost, and not in any way trying to recoup some of our own losses by trying to put a price on the computers. We do expect those accepting them to pay for packing and shipping, of course. Given the decentralized nature of the management of computers in Government, the kind of "guarantee" they were seeking is simply not possible.

4. I told him that I would be willing to propose to my management and to our legal counsel that we prepare a memorandum in which we would commit ourselves to continue good-faith efforts to place the unallocated equipment. I said I would be prepared further to include in that commitment the three machines which are at issue between Burroughs and TRW, but I said our willingness to write such a memo would be contingent on Burroughs reasonableness and willingness to reach amicable settlement with TRW before the end of the year. I suggested that the commitment should have a target date of possibly March or April, after which placement in Government outside of the Intelligence Community would be attempted.

5. We then went over the list of equipment and proposed placements, identifying two 7800's and one 6900 with NSA, and of the remaining nine (by their count) 6900's one in DIA, two allocated to Russ Stokes of the Navy Engineering Logistics Office (NELO), three under serious discussion with [redacted] the Navy Security Group, and three unallocated. (We cleared up a misunderstanding involving the NELO computers, which are substitutes for two B-5900's previously planned. Mr. Johnson thought there might be a third Navy entity involved, identified as NAVSUP, which was planning to substitute SAFE equipment for previously ordered machines, but I checked with our Management Staff and learned that these are in fact the NELO machines.)

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6. Mr. Johnson told me that if we could nail down the NELO and the NSG placements in the next week and give him a letter to that effect, with a commitment to continue efforts to place the remaining three machines, he thought he could get Burroughs to agree to settlement this month. I noted that [redacted] had asked Burroughs for some information about the cost and availability of certain software and networking support which he needs to make a decision and before he requests reprogramming of funds. Mr. Johnson said providing this information would be given the highest priority. I said I would call [redacted] personally and ascertain what the prospects were for early decision, but I said that decisions of this kind, even when free equipment was involved, could rarely be obtained that quickly. I promised to call Mr. Johnson with the results of my inquiry.


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7. I then returned to the question of publicity, and said that it was not appropriate for a public statement of the kind they were requesting to be produced by a Government agency, least of all a secret one. I said I would be willing to suggest to TRW that such publicity be issued, again providing the settlement was completed in December. (I had previously discussed this matter with Bob Williams of TRW and we had agreed that such a step might be possible.) I added, however, that any such recommendation would be contingent on agreement by Burroughs to withdraw the letter in which they had accused CIA officials of malfeasance, bad faith, and indeed illegalities. He replied that he had not written the letter, but had seen it, and he implied that he understood why we would want it withdrawn.

8. I closed the meeting with the comment that I was pleased to be dealing with Burroughs representatives in an atmosphere of cooperation and mutual problem-solving, but I reminded them that my willingness to continue efforts to place these machines would be sharply decreased if they take an unreasonable position vis-a-vis TRW in the settlement talks starting tomorrow, 10 December. I said that like Bob Williams I expected them to take the TRW offer seriously. Mr. Johnson replied that he would like nothing better than to sit down before the end of the month to tie up the entire settlement, including agreements on all outstanding issues.

  
Bruce T. Johnson  
Director of Data Processing

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D/ODP:BTJohnson:jtr (14 December 1983)